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OIL, GAS, AND MINING BOARD

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NATURAL RESOURCES

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS, AND MINING

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August 24, 1978

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Director

Mr. Robert G. Young
612 Rico Way
Grand Junction, CO 81501

Re: Allied-Mission Oil, Inc.
Vanadium Queen Mine
San Juan County, Utah
Act/037/036

Dear Mr. Young:

Thank you for completing your filing of MR Forms 1, 2, and 8. However, there are still a few points requiring clarification or additional information.

The original plan which you submitted on May 1, 1978 indicated a total surface disturbance of 5 acres. The plan that you resubmitted on June 16, 1978 was changed to read 1.75 acres of surface disturbance. The Division estimates the disturbed acreage to be closer to 3 acres according to the map which you submitted and a field visit performed by Division personnel on April 11, 1978. This area includes the portal area, parking lot, loading pad, dump and associated roads. It does not include the area below the dump designated as a location for the proposed settling pond which would increase the disturbed area.

Also, a question has arisen concerning Item (b), Grading and Regrading. Where do you propose to obtain the four inch thickness of topsoil or upper horizon material for final surfacing? Would this come from development of the settling pond?

We have been in contact with the State Division of Health, Bureau of Water Quality regarding the analysis of mine water discharge samples which we took during our aforementioned field inspection. The results were very unsatisfactory, exceeding both state and federal standards, with the water quality being substantially poorer at the bottom of the dump than at the mine portal. The mining and reclamation plan which you submitted does not adequately address the handling of this discharge which is currently being passed over the waste dump and into La Sal Creek at an approximate rate of 10 gallons per minute.

Allied-Mission Oil, Inc.'s original plan proposed a settling pond below the dump and the resubmitted plan indicated a settling pond was

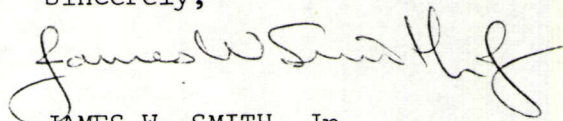
to be located on top of the dump. Treatment with barium chloride would require a detention time of 24-48 hours and with an estimated flow of 10 gallons per minute a fairly large pond would be needed. Therefore, a pond located on top of the dump would probably prove to be inadequate. Another possibility, if a large enough sump area existed, would be to collect and treat the water inside the mine, then pipe it directly into the creek avoiding any further contact with the mine floor or ground surface outside the mine.

Section 40-8-5 of the Utah Mined Land Reclamation Act provides for coordination between governing agencies to avoid duplication and conflicting compliance procedures as well as not interfering with the responsibilities of the Division of Health. We understand that you have applied for an NPDES permit. However, before we can grant tentative approval to Allied-Mission Oil, Inc.'s mining and reclamation plan you must submit detailed engineering and construction plans regarding your proposed mine water discharge treatment facility to the Division of Health with a copy sent to us.

We will continue with the approval process upon receipt of this information. If you have any questions please feel free to contact our office or the Division of Health, Bureau of Water Quality.

Your cooperation in this matter is greatly appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "James W. Smith, Jr.", with a stylized flourish at the end.

JAMES W. SMITH, Jr.
Reclamation Soils Specialist

JWS/db